

REMARKS

Reconsideration and allowance of the above-referenced application are respectfully requested.

Upon entry of this amendment, claims 1-87 will remain in the application, with claims 1-7, 16-36, 45-65, and 74-87 being withdrawn, and claims 8, 12, 37, 41, 66, and 70 being amended.

Telephone Interview

A telephone interview was conducted on March 16, 2004 between Examiner Lee and Kenyon Jenckes (Applicant's attorney) and Kenneth Gundry and Walter Gish (representatives of the Assignee, Dolby Laboratories Licensing Corporation). The subject matter discussed in the telephone interview were the amendments to claims 8 and 12, which have been incorporated into corresponding independent claims 36, 41, 66, and 70.

Claim Rejections - 35 USC § 102

Claims 8-10, 12-14, 37-39, 41-43, 66-68, and 70-72 were rejected under 35 U.S.C. 102(b) for allegedly being anticipated by Yanagihara (5,374,958).

Exemplary claim 8, as amended, recites in relevant part:

"...utilizing a first QP value for the Y luminance channel of a color video image; and

a second QP value for at least one of the U and V color channels of the color video image, wherein the second QP value is less than the first QP value, so that said at least one of the U and V color channels has finer quantization resolution than the luminance channel."

Yanagihara does not disclose or suggest utilizing different QP values for the luminance channel and at least one of the color channels so that at least one of the color channels has finer quantization resolution than the luminance channel. In fact, Yanagihara teaches away from the claimed subject matter. Accordingly, Applicant submits that claims 8, 12, 37, 41, 66, and 70, and their dependencies, are allowable.

Claim Rejections - 35 USC § 103

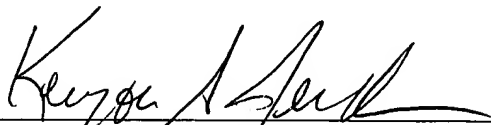
Claims 11, 15, 40, 44, 69, 73 were rejected under 35 U.S.C. 103(a) for allegedly being unpatentable over Yanagihara. Applicant submits since these claims depend from 8, 12, 37, 41, 66, and 70, respectively, they are allowable for the reasons given above and for their additional limitations.

Enclosed is our check in the amount of \$770 for the filing fee for the enclosed Request for Continued Examination.

Please apply any other charges or credits to deposit
account 06-1050.

Respectfully submitted,

Date: March 18, 2004



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